

City of Troy: stable, strong & striding forward

With a population of nearly 85,000 citizens and over 6,000 businesses, the City of Troy's 34.3 square miles represents one of the most desirable locations to live, work, raise a family and run a business. The workday population stands at about 125,000. The expanding residential and business sectors have built the City's taxable value (TV) to an impressive \$4.7 billion.

City Government

The City of Troy has a Council-Manager form of government. The Mayor and six members of the City Council are elected to staggered, three-year terms. The Council appoints a City Manager to oversee daily operations and administrative functions.

The administration philosophy focuses on furnishing high levels of service for the best value. Services include police and fire protection, refuse collection, water and wastewater collection, street maintenance, public improvements, planning, zoning, and general administrative services. Troy maintains recreation and leisure facilities including the Troy Public Library, Troy Museum & Historic Village, Family Aquatic Center, Stage Nature Center, Sylvan Glen Golf Course, 590 acres of parkland and the Community Center.



Troy City Council: Back Row: Councilman Anthony N. Pallotta, Councilman David Eisenbacher, Mayor Pro Tem Martin F. Howrylak, Councilman David A. Lambert. Front Row: Councilwoman Cristina Broomfield, Mayor Matt Pryor, Councilwoman Robin E. Beltrami.

Education

Top-rated school systems reinforce Troy's community strength and property values. Troy School District (TSD) serves the majority of households with an enrollment of over 12,000 students. Six other school districts also serve Troy citizens: Avondale, Birmingham, Bloomfield Hills, Lamphere, Royal Oak and Warren Consolidated.

Higher education is available through local institutions like Cornerstone College, the Michigan State Management Education Center, University of Phoenix, Walsh College and nearby Oakland Community College and Oakland University. Central Michigan University, Northwood Institute, Spring Arbor College and University of Michigan-Flint offer satellite courses in Troy.



Columbia Center office buildings

City Manager
John Szerlag

**Assistant City Manager/
Finance & Administration**
John M. Lamerato

Assistant City Manager/Services
Gary Shripka

*Prepared by the
Financial Services Division*

For more information:
Community Affairs Department
500 West Big Beaver
Troy MI 48084
ph 248.524.1147

website www.ci.troy.mi.us

Businesses

The Troy business community is truly diverse. Corporate citizens span a full range of financial, retail, automotive, technology, hospitality, service and manufacturing industries. The Troy Chamber of Commerce offers valuable networking and professional development activities and hosts job fairs to assist local recruiting efforts. Businesses interested in relocating in Troy are invited to contact the City's Real Estate & Development Department at 248.524.3498.



Gazebo at the Troy Museum & Historic Village

Troy - a place to call home

Troy's location, educational institutions, employment and business opportunities and top quality municipal services make it a great place to call home. To request a community residential information packet, contact Community Affairs at 248.524.1147.

Greetings

On behalf of the city administration and the Troy City Council, I am pleased to present the 2002 Financial Summary. This report outlines the City's fiscal activities and economic environment. It provides an overview of the City's financial management. This past year has marked many positive changes and developments.



Capital improvements: Phase One of the Community Center and the Troy Nature Interpretive Center opened their doors this past spring. The final phase of the Community Center will open by March 2003 adding more meeting space and a banquet area to the amenities of the indoor aquatic area and fitness facilities. Renovation and expansion of the public safety areas adjacent to City Hall are underway in the Civic Center. In the coming months, a special relocation project will move the century-old Methodist Church and Parsonage to the Troy Museum & Historic Village site. They will be refurbished and preserved for current and future generations to appreciate.

Financial Management: Troy has achieved AAA bond ratings from Standard & Poor's, Fitch IBCA and Moody's Investors Service. These excellent bond ratings translate to savings for the City and its taxpayers. Troy has earned all three of the Government Finance Officers Association Awards for financial reporting for the City's Budget document, Comprehensive Annual Financial Report and the 2001 Financial Summary.

Public Safety: Troy Police and Fire Departments excel in preserving the safety and welfare of our community. Crime and fire prevention programs, training, and dedicated field work ensure we enjoy a safe and secure environment. An analysis of Federal Bureau of Investigations crime statistics ranks Troy in the top 3% of the nation's safest cities (populations over 75,000).

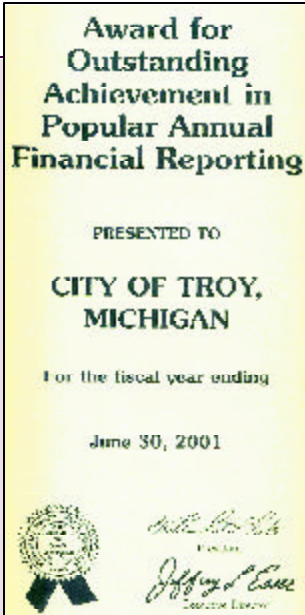
Communication: Providing public access to information about city services is essential to maintaining a positive relationship with our residents and business community. Our offices and staff are available to answer questions. Do not hesitate to contact my office at 248.524.3330, or any of the staff members listed on page 12.

Thank you for your time and interest.

Sincerely,

A handwritten signature in dark ink, appearing to read "John Szerlag".

John Szerlag, Troy City Manager



GFOA Award presented for Outstanding Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Troy for its Popular Annual Financial Report for the fiscal year ended June 30, 2001. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

City of Troy Economy

Troy's diversified business community, strong residential market and conservative financial management perpetuates a stable economy through regional and national market fluctuations. A wide range of industries in the business community, well maintained neighborhoods, excellent schools and continued investment into roads and infrastructure all contribute to Troy's resilience.

With 85,000 residents and the workday population exceeding 125,000, people constitute a strong market for the retail and service industries in Troy. These factors keep the city's unemployment rate well below Metro Detroit, State and National averages. See *Figure 2* to compare unemployment rates.

The community's growth is further dramatized by the significant rising value in Troy's taxable valuation (TV). From 1992, the TV increased by 52% from \$3,083,853,330 to \$4,686,250,942 (see *Figure 1*). Within the State of Michigan, the City of Detroit is the only municipality with a higher taxable value than Troy.

The City's tax base continues to grow with new real estate developments, reinforcing fiscal strength for Troy City government and the Troy Downtown Development Authority.

Major Initiatives

Large-scale projects usually span multiple years. Troy continues implementation of a \$47 million bond proposal approved by residents in 1999. Elements include road improvements, facility replacement and expansion, open space/active recreation functions. A remaining \$14.5 Million will be issued for public safety facilities.

The construction phase of a new 18-hole golf course in Section 1, the northeast corner of Troy is underway. It will be open for play in the fall of 2004.

The Fire-Police Training Facility opened in November 2001. Construction and land acquisition costs for the 21,136 square foot building totalled \$2.9 million. The new Troy Nature Center, a 8,138 square foot facility was opened in May 2002. The Troy Methodist Church relocation to the Troy Museum & Historic Village and construction of the new Fire Station #3 will happen over the next year. The Big Beaver Road reconstruction project, I-75 to Livernois, was completed in November 2001, ahead of schedule.

Civic Center Campus

The \$26 million renovation and expansion of the Troy Community Center includes athletic, aquatic and fitness facilities, community meeting space, banquet facilities and Parks & Recreation Administration offices. The first Phase, including fitness areas, opened in March, 2002. Over 6,000 Recreation Passes have been purchased for fitness area privileges. The Community Center renovation and expansion nears completion. The final phase will be complete by March of 2003. Expansion to City Hall is underway to accommodate enhanced police and fire administration activities.

Figure 1

TAXABLE VALUE TV

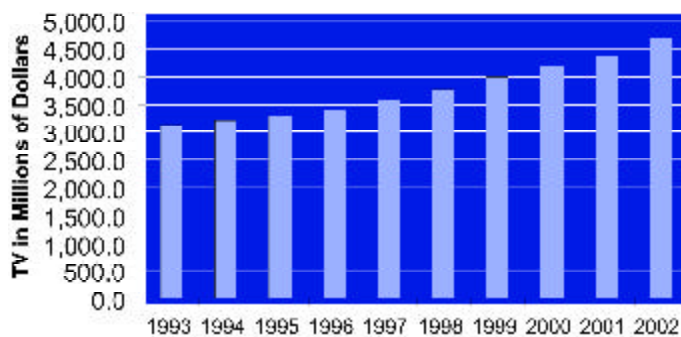


Figure 2

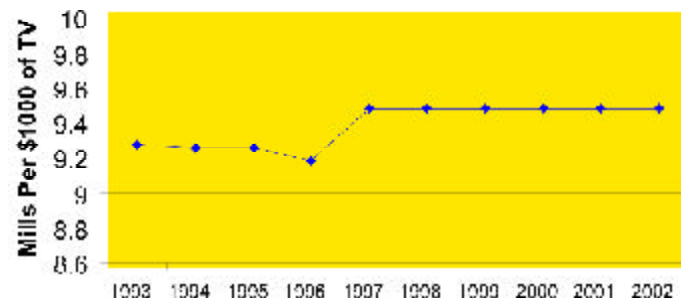
Unemployment Rates

Year	1990	1995	2002(July)
Troy	3.5%	2.2%	3.2%
Metro Area*	7.6%	5.1%	7.5%
Michigan	7.6%	5.3%	7.2%
National	5.5%	5.6%	6.0%

*Metro Area includes: Lapeer, Macomb, Monroe, Oakland, St. Clair, and Wayne Counties.

Figure 3

MILLAGE RATE



Each mill translates to \$1 of tax per \$1,000 of taxable property value. The City of Troy has maintained one of the lowest tax rates of surrounding cities and has held its rate at or below 9.48 for the past seven years.



Troy Community Center's new main entrance.

Evaluating the City's Financial Condition

The **General Fund** is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. General Fund activities are financed by revenues from general property taxes, state shared revenues and other sources.

Figure 5 shows the total revenue and expenditures of this fund from 1993 to 2002. An indicator of financial strength and stability is a positive fund balance in the General Fund. Since 1993, the General Fund fund balance has grown from \$4.2 to \$22 million. Note that operating expenditures exceeded operating revenues from 1992, 1993 and 2002. These shortfalls were covered by fund balance.

The financial community has recognized the City's solid, diversified tax base and sound management. All three major rating agencies (Fitch IBCA, Moody's and Standard & Poor's) gave the City an

"AAA" rating for general obligation bonds. This makes Troy one of the two highest rated municipalities in Michigan. High bond ratings translate to savings for the City and its taxpayers.

In accordance with Generally Accepted Accounting Principles (GAAP), the City's financial activities are accounted for in a variety of funds other than the General Fund.

Special Revenue Funds such as the Brownfield Redevelopment Authority, Downtown Development Authority, Major Street, Local Street, Refuse and Community Development Block Grant Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds account for the accumulation of resources for the annual payment of principal, interest and fees in connection with certain long-term debt other than debt payable from operations of a proprietary fund.

The **Capital Projects Fund** tracks financial resources for the acquisition or construction of major capital facilities other than those financed by the operations of a proprietary or nonexpendable trust fund.

Enterprise Funds like Water, Sanitary Sewer, Aquatic Center and Golf Course Fund are used to account for operations that are similar to private business. Tracking the net income of Enterprise Funds helps evaluate programs and direct financial administration.

GENERAL FUND TAX LEVY

Figure 4

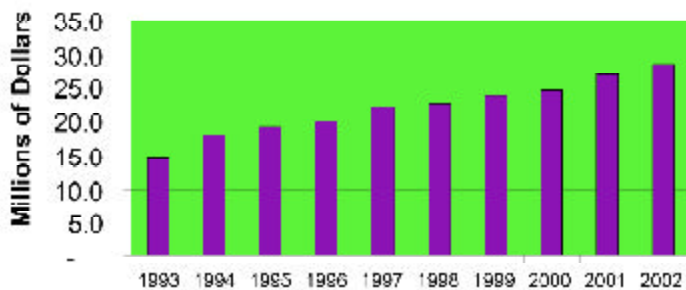
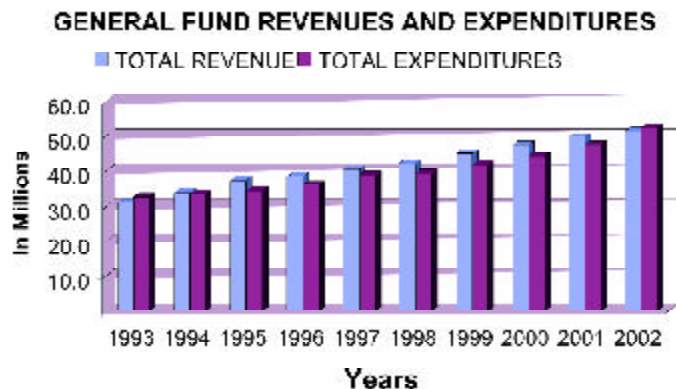
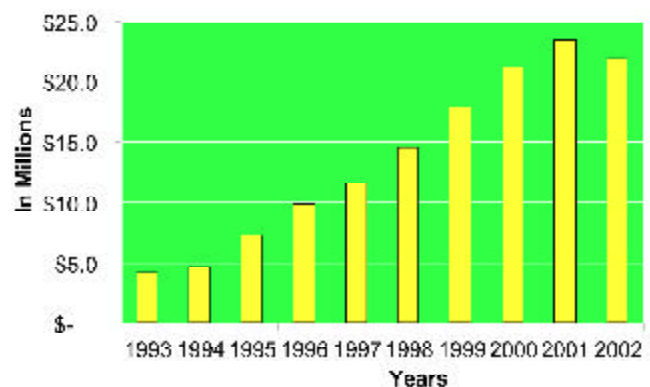


Figure 5



CHANGE IN GENERAL FUND BALANCE



Revenues and Expenditures (millions of dollars)

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Total Revenue	\$ 31.2	\$ 34.0	\$ 37.1	\$ 38.5	\$ 40.7	\$ 42.3	\$ 45.3	\$ 47.6	\$ 49.9	\$ 51.2
Total Expenditures	32.6	33.6	34.3	36.1	39.0	39.3	41.9	44.3	47.5	52.5
Excess (Shortfall)	\$ (1.4)	\$ 0.4	\$ 2.8	\$ 2.4	\$ 1.7	\$ 3.0	\$ 3.4	\$ 3.3	\$ 2.4	(1.4)
Beginning Equity	5.6	4.2	4.6	7.4	9.8	11.5	14.5	17.9	21.0	23.4
Ending Equity	\$ 4.2	\$ 4.6	\$ 7.4	\$ 9.8	\$ 11.5	\$ 14.5	\$ 17.9	\$ 21.2	\$ 23.4	\$ 22.0
As a % of Revenue	13.46%	13.53%	19.95%	25.45%	28.26%	34.28%	39.51%	44.54%	46.89%	42.97%

Source: City of Troy Comprehensive Annual Financial Report

Nonexpendable Trust Fund is a trust fund in which the principal may not be spent.

Revenues and expenses in 2002 for major City activities by individual fund type are taken from the *Comprehensive Annual Financial Report (CAFR)* and shown in *Figure 6*. As can be seen from the chart, some groupings of funds amount to more than the General Fund. This document is designed to help you understand how and where money is spent provide City services.

For more detailed information where the totals are represented by function, you should review the *CAFR*. Both this summary and the *CAFR* are available at the Troy Public Library, 510 West Big Beaver, and the City Clerk's Office in City Hall, 500 West Big Beaver. If necessary, call 248.524.1147 to request a copy.

The Statement of Activities (Fig. 6) does not present the revenues or expenses of the Internal Service Funds of the City, nor certain Fiduciary funds. The main focus of this document is to present information on services provided to the citizens, not services provided internally to other City operations.



Troy City Hall hosts annual Memorial Day and Veterans Day ceremonies to honor all United States service men and women and dedicate new bricks installed in the Walk of Honor pathway surrounding the Veterans Monument.

Figure 6

City of Troy Statement of Activities For the Year Ended June 30, 2002

	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Nonexpendable Trust	Total
Revenues:							
Property Taxes & Special Assessments	\$29,085,526	\$7,580,472	\$3,548,012	\$7,506,099	\$ -	\$ -	\$47,720,109
Licenses and Permits	1,522,133	-	-	-	-	-	1,522,133
Federal Grants	69,453	468,893	-	30,964	-	-	569,310
State Grants	8,492,956	4,778,519	1,259,120	2,638,751	-	-	17,169,346
County	159,268	-	-	-	-	-	159,268
Charges for Services	3,084,118	921	-	582,497	18,574,384	465	22,242,385
Investment Income	844,164	266,269	409,221	1,056,699	1,042,487	3,378	3,622,218
Other	3,680,766	-	1,323,948	277,847	2,145,463	-	7,428,024
Total Revenues:	\$46,938,384	\$13,095,074	\$6,540,301	\$12,092,857	\$21,762,334	\$3,843	\$100,432,793
Expenditures/Expenses:							
General Government	\$7,568,285	\$ -	\$36,930	\$ -	\$1,153,956	\$ -	\$8,759,171
Public Safety	24,721,059	-	-	-	-	-	24,721,059
Roads and Streets	3,321,820	-	-	-	-	-	3,321,820
Other Public Works	3,808,488	3,671,275	-	-	15,072,981	-	22,552,744
Parks and Recreation	6,245,061	-	-	-	1,767,885	-	8,012,946
Debt Service	-	-	12,819,195	-	82,625	-	12,901,820
Capital Outlay	-	-	-	56,099,017	-	-	56,099,017
Other	4,042,658	675,157	-	-	-	-	4,717,815
Total Expenditures/Expenses	\$49,707,371	\$4,346,432	\$12,856,125	\$56,099,017	\$18,077,477	-	\$141,086,392
Other Financing Sources (Uses)	\$1,351,200	(\$10,934,463)	\$9,370,568	\$35,175,832	(\$781,890)	-	\$34,181,247
Excess Revenues and Financing Sources	(\$1,417,787)	(\$2,185,821)	\$3,054,744	(\$8,830,328)	\$2,902,997	\$3,843	(\$6,472,352)

Revenues

The City of Troy collects funding from five major sources. Beyond Property taxes, other revenues include licenses and permits, intergovernmental, charges for services, and investment income. See *Figure 8* for a breakdown of what percentage each element represents in the total revenue.

Property Taxes and Special Assessments: \$47.7 Million

The City's total tax rate of \$9.48 includes the General Fund, Refuse Collection, Debt Service and Capital Projects activities. The City has .63 mills in available tax rate capacity for general and capital activities.

As indicated in *Figure 7*, the City's tax rate represents just 27% of total property tax bill. Those tax dollars represent approximately half of the City's total revenue as illustrated in *Figure 8*.

Licenses and Permits: \$1.5 Million

Revenue is generated by fees charged to individuals and businesses for building new structures and improvements to existing structures. The largest source of revenue from this source is generated from Building Permits.

Intergovernmental Revenue: \$17.9 Million

Revenue from Federal, State and County governments - mainly in the form of state-shared revenue.

Charges for Services: \$22.2 Million

Fees charged for services and sales.

Investment Income: \$3.6 Million

Generated from interest on investments.

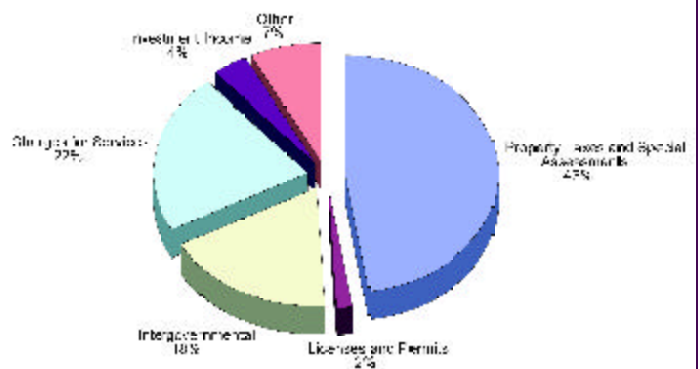
Other Revenue: \$7.4 Million

Generated primarily by administrative and recreation fees.



Figure 8

Where the City gets its Revenue



Property taxes are not the City's only source of income. This chart illustrates the variety and percentage of the City's other sources of funding.

Where Does Your Tax Dollar Go?



The City of Troy collects property taxes on behalf of your local school district, Oakland County, and Community Colleges. This illustration shows how your total tax dollars are divided among these agencies.

Figure 7



Expenditures

The City generalizes its major program activities in eight areas: General Government, Public Safety, Roads and Streets, Other Public Works, Parks and Recreation, Debt Service, Capital Outlay and Other. See Figure 9 below for a breakdown of their percentages.

General Government

The General Government group of expenditures of \$8.8 Million are broken down into the following seven areas. See Figure 10 for a graphical illustration.

City Council

The City Council approved the 2001-02 budget with a 9.48 millage rate, one of the lowest millage rates of any comparable city in the State of Michigan. Council generally meets the first and third Monday of each month. The seven elected officials of the Council serve on a part-time basis and act as the legislative branch of government. Council enacts ordinances, approves the City budget, and appoints the City Manager, City Attorney and board and commission members.

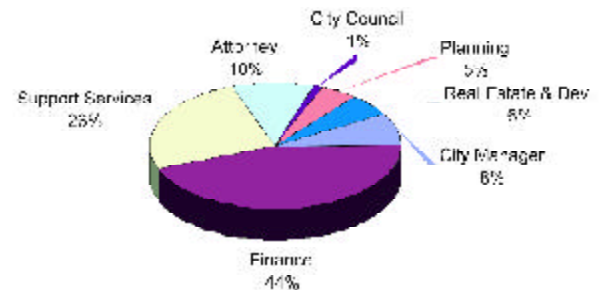
City Manager

The City Manager oversees the daily operations of the city government. This office researches, evaluates and develops public policy and programming to achieve the highest levels of efficiency. Current projects include development of the Civic Center site, monitoring budget procedures and performance, a \$47 million bond issue, and examining State and Federal legislative issues that could impact the City of Troy.

City Attorney

This office provides legal service for the City including the Council, boards and committees. It reviews ordinances, contracts, bonds and any other legal documents. It prosecutes ordinance violations, represents the City for litigation, and advises City offices, City Council, and other appointed officers regarding legal issues related to city business.

Figure 10 GENERAL GOVERNMENT



Finance

The Finance Division includes: Accounting, Assessing, City Clerk, Community Affairs, Human Resources, Information Technology, Purchasing, Risk Management and Treasury. Each furnishes important services internal and external operations.

Accounting maintains financial records including payroll, accounts payable, assets, liabilities and long-term capital projects.

The **Assessing Department** assesses all real and personal property within the City limits and maintains detailed legal descriptions of properties and records related to their ownership. In total, the Assessing Department is responsible for a combined State Equalized Value that tops \$5.2 billion.

Expenditure Overview

General Government: \$8.8 Million

Areas involved in the administration, legislative and financial aspects of City business: City Council, City Manager, City Attorney, Assessing, City Clerk, Elections, Accounting, Human Resources, Purchasing, Treasurer, Community Affairs, Planning, Real Estate & Development, City Hall and Water Office.

Public Safety: \$24.7 Million

Police, fire protection and building inspection.

Roads and Streets: \$3.3 Million

Maintenance costs for major, local and county roads.

Other Public Works: \$22.6 Million

Costs associated with Engineering, Storm Drain Maintenance, Sanitation, Water Supply and Sanitary Sewer functions.

Parks and Recreation: \$8.0 Million

Costs to provide recreation, aquatic and golf course activities.

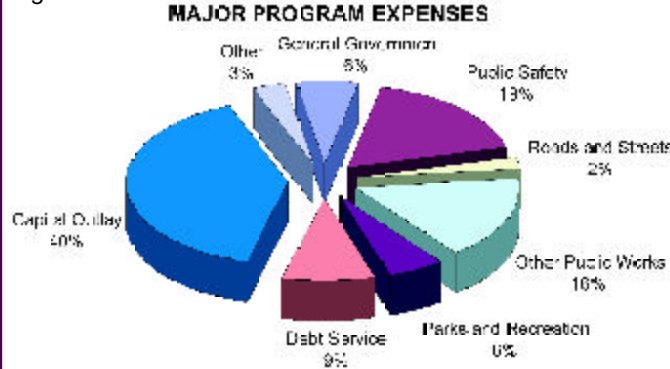
Debt Service: \$12.9 Million

Consists of principal and interest payments on maturing debt.

Other: \$4.7 Million

Cost of providing Library, Downtown Development, Brownfield Redevelopment and Community Development Block Grant functions.

Figure 9



The **City Clerk's Office** provides citizen access to current and historical information related to the City Charter, Code and City Council minutes. It designed and implemented a "paperless agenda" process, furnishing the City Council agenda backup via CD-ROM and online. The City Clerk is also responsible for conducting all elections and maintaining the City's 54,712 registered voter files.

The **Community Affairs Department** is a central information resource. It uses Internet, television, publications and media communications to promote City services, information, activities and programs. It operates WTRY (10/53) cable television station, updates the City website <www.ci.troy.mi.us>, distributes new resident packets and publishes the *Troy Today* newsletter and *City Calendar/Annual Report*. Community Affairs serves as a liaison to community groups.

Human Resources recruits exceptional, dedicated employees to serve the public. It is monitoring and evaluating issues related to a new classification and compensation process and developing a profile databank for current employees including skills, education, and professional certifications.

Information Technology (IT) provides internal support for computer-related technology. It coordinates system maintenance, security, network communications and equipment purchases. IT also programs the City Intranet and Internet websites and assists the integration of departmental and city-wide systems.

The **Purchasing Department** procures goods and services for the City with competitive prices from competent vendors. To ensure fair, competitive bidding, Purchasing maintains an open door policy to vendors requesting to be on city bid lists. Troy also acts as the "host city" for a number of contracts used by other cities throughout the Tri-County Purchasing Cooperative for office supplies, pager rental, and ice-melting compounds.

Risk Management administers insurance programs. It seeks to eliminate any areas of operation or policy that expose the City to unnecessary financial risk.

The **Treasury Department** maximizes efficiency and convenience of tax and water bill collection. It accepts payments by mail, utilizing a lock box for both water bills and taxes, and in person at City Hall. An afterhours drop box is available at the Police Desk. Water bill payment may be done through the convenience of Direct Payment <www.thepaymentsauthority.org>. It schedules automatic electronic payment from the resident's designated bank account. This year, the Treasury launched credit card payment option by phone or online through Official Payments <officialpayments.com>.

Planning

The Planning Department is working with Information Technology, Engineering, Building, Assessing and Real Estate & Development Departments to develop a new, computerized base map series as a basis for the Geographic Information System. Planning reviews and updates the Master Land Use Plan and Zoning Ordinance.



Midtown Square, a mixed use development features condos, restaurants and shopping destinations.

Real Estate & Development

Real Estate & Development advises and supports the city administration on issues and activities related to real estate, right of way and economic development. It coordinates property acquisition, relocation assistance, property management, disposal of excess properties, title protection and investigation and asset management. It plays an integral part in obtaining land for road widening projects on major roads.

Parks & Recreation

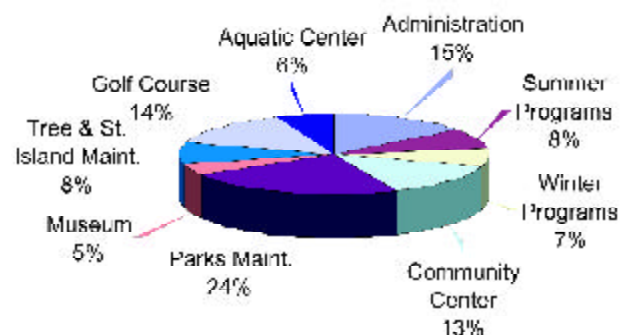
Parks and Recreation expenditures totaled \$8.0 Million. It coordinates a full schedule of recreation and leisure activities, special events, and educational programming. It operates the Family Aquatic Center, Nature Center, Community Center, Sylvan Glen Golf Course, Senior Citizen programs and 14 parks. See *Figure 11* for an illustration of expenditures.

Administration: \$1.2 Million

Programs (Winter and Summer): \$1.3 Million

They furnish citizens with a full spectrum of athletic, educational and leisure programming for all ages and all abilities. This includes programs and activities for preschoolers, senior citizens and adaptive recreation for persons with disabilities. The Summer schedule offers 21 sport camps cosponsored by the Troy School District for ages 4 to adult. The new Nature Center opened its new 8,138 square foot Interpretive Center building in May. It provides a Nature Library, Gift Shop and classrooms. Parks & Recreation programming greatly enhances quality of life for Troy residents, and increases Troy's attractiveness to new home buyers.

Figure 11 **PARKS & RECREATION**





Troy Cowboys Football Team

Community Center: \$1.3 Million

The first phase of the Community renovations opened in March 2002. The building provides administrative offices, meeting rooms and recreation facilities. The second and final phase opens the first quarter of 2003. It includes meeting space and banquet facilities. Citizens and community groups may reserve meeting rooms. It serves over 250,000 visitors annually.

Parks Maintenance: \$1.9 Million

Parks Maintenance represents the largest portion of the Parks & Recreation expenditures. It provides maintenance to Troy's 14 neighborhood and major parks that total 590 acres. This includes care for athletic fields, play structures and equipment. Funding also covers servicing city grounds, cemeteries and the annual Magic of Fall/Troy Daze Festival.

Museum: \$.4 Million

Located at 60 West Wattles, Troy Museum and Historic Village lets citizens of all ages explore the heritage of the community. Programs and special events are supported by volunteers who contribute over 4,000 service hours. The museum welcomes more than 19,000 visitors annually. The facility includes administrative offices, an exhibit gallery, reference library, Museum Guild Gift Shop, and seven 19th Century structures and Gazebo collected around the Village Green.

**The Museum operations have been transferred from the Parks and Recreation Department to the Library Department to develop synergy between the Museum and Library collections and maximize staff talents.*

Tree & Street Island Maintenance: \$.7 Million

These services include trimming and planting trees in right of way properties. This work enhances the image and desirability of the city as well as contributes to public safety and the environment.

Golf Course*: \$1.2 Million

Sylvan Glen Golf Course is an enterprise fund* (see footnote on page 10). It furnishes over 60,000 rounds of golf per year as well as access to golf lessons, a pro shop, restaurant and banquet facilities. In winter months, the course is available for cross-country skiing. Revenues exceeded expenditures, resulting in net income of \$48,502. An additional 18-hole golf course is under construction in the northeast corner of the City.

Family Aquatic Center*\$.5 Million

The Family Aquatic Center is an enterprise fund* (see footnote on page 10). Amenities include swimming lessons, an 11,000 square-foot main pool, splash pools, water slides and sand play areas. It is open from Memorial Day weekend to Labor Day weekend. The center also hosts substance-free teen events weekly with live entertainment from local bands. Almost 50,000 admissions were recorded in 2002.

Public Safety

Police Department

The Police Department activity areas are illustrated in *Figure 12*. Troy Police Department subscribes to a community-oriented policing philosophy. It emphasizes crime prevention and partnerships with community groups to promote awareness and safety. An analysis of FBI crime statistics of cities with populations over 75,000, ranks Troy among the nation's top 3% safest cities.

Police Administration: \$1.3 Million

Administration is responsible for coordination and administration of grants, developing policy and procedures and human resources.

Uniform Patrol: \$9.6 Million

Represents 40% of the public safety expenditures. This includes motor, foot and bicycle patrol.

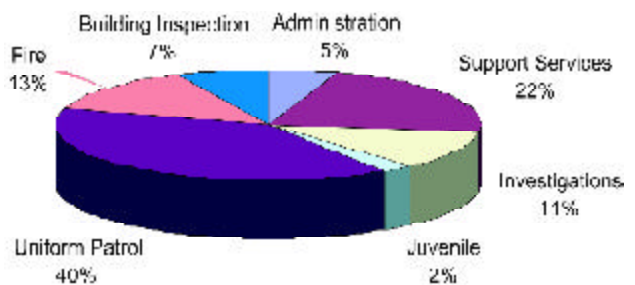
Investigations Division: \$2.7 Million

Provides for investigation of crimes and suspected crimes. It also administers criminal and drug forfeiture actions.

Juvenile & Support Services: \$.6 Million & \$5.5 Million respectively

Figure 12

PUBLIC SAFETY





Volunteer fire fighters demonstrate the jaws-of-life at the Annual Fire Open House held on the first Sunday in October.

Troy's 170 fire fighters are volunteers, trained by the City. Troy represents one of the largest volunteer fire departments in the nation.

Fire Department: \$3.3 Million

The department includes 13 paid positions and 170 volunteer fire fighters. They operate a central office at City Hall and six fire stations. Activities include training, emergency response and community education. Troy enjoys excellent fire protection service and significant savings for its taxpayers with a volunteer fire department. Troy Fire Department earned the Life Safety Achievement Award for the sixth consecutive year from the Residential Fire Safety Institute recognizing a community's record of *zero* fire-related fatalities.

Building Inspection Department: \$1.7 Million

Inspection services enforce the Troy City Code including building codes, property maintenance, and Zoning Ordinance. The department issued 1,938 building permits for construction valued at over \$143 million. Inspections ensure the quality and safety of new construction in Troy, an essential element to the long-term value of properties and protection of Troy citizens.

Other Public Works

Other Public Works refers to Public Works Department functions other than "Roads and Streets" activities. See *Figure 13* for an illustration of expenditures.

Water* & Sanitary Sewer*: \$8.0 Million & \$ 7.0 Million, respectively

Water and Sewer accounts are both Enterprise Funds.* These services include water delivery, water and sewage disposal, system maintenance, operations, and meters and taps. The Water Fund reported net income of \$2.3 million. The Sewer Fund reported a net income of \$0.7 million.

Water and Sewer operations deliver safe drinking water and respond to service calls. They replace 40,000 feet of water main, conduct 200 water sample tests, clean 1 million feet of sanitary sewer and respond to over 2,000 service calls a year. In accordance with the Federal Safe Water Act, the city mailed the annual *Water Quality Report* to residents. It confirms Troy has clean and safe drinking water. Call 248.524.3546 for a copy or view online at <www.ci.troy.mi.us>.

Engineering: \$2.6 Million

Engineering provides for design and administration of public improvement projects like roads, sanitary sewers, water mains and sidewalks. It also executes surveying, inspection, and traffic engineering services.

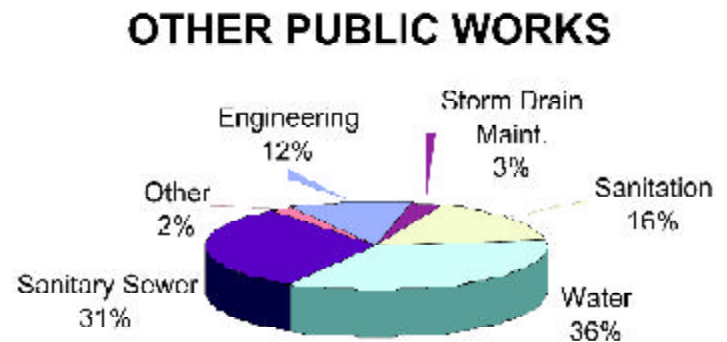
Storm Drain Maintenance: \$.7 Million

The Storm Water Division implements the storm water drainage master plan by improving maintenance of the system and complying with Federal, State and County regulations and mandates. This includes detention pond improvements. The division cleans over 1,200 catch basins each year.

Sanitation: \$3.7 Million

Sanitation services, contracted with a private firm, provide weekly refuse collection for 24,561 homes, condominiums, mobile homes, and duplexes. They also collect from 4,186 apartments. Weekly recycling curbside pickup and the recycling drop-off center collected over 5,000 tons of recyclables. Separate compost pickup of soft yard waste and Christmas trees yielded 5,000 tons. Composting and recycling helps minimize use of landfill space.

Figure 13



Storm water quality efforts include community events like River Day, where residents and school groups help plant vegetation that has a natural, positive impact on river water quality and drainage.

*Enterprise funds are used to account for City operations which are similar to those often found in the private sector, where detailing the net income (profit) is useful to conduct sound financial management.

Roads & Streets

Troy maintains over 350 streets, county and other major roads. Activities include patching, slab replacement, sweeping, crack and joint sealing on concrete, asphalt and gravel roadways. These efforts help maintain Troy's viable transportation network.

The City replaces about 12% of its 20,000 street name and traffic signs due to normal wear and tear. In winter, Troy has a policy to clear all roads within 24 hours after a snowfall of more than four inches.

Total expenditures of \$3.3 Million are broken into the three categories: Major Streets, Local Streets and County Roads. See *Figure 14*.

Major Streets: \$1.7 Million

Includes snow and ice removal, routine maintenance and signage.

Local Streets: \$ 1.3 Million

Include snow and ice removal, routine maintenance and signage, surface repairs (patching), sweeping and dust control.

County Roads: \$.3 Million

Includes snow and ice removal and administrative costs.

Capital Outlay

Streets & Drains: \$25.4 Million

Street improvements typically account for a majority of Capital Outlay Expenditures.

Recreation & Library: \$22.7 Million & \$.9 Million, respectively

Community Center construction began in December 2000. The finished structure of 127,000 square feet includes a renovated gym, new locker rooms, indoor pools, dedicated space for seniors, teens, craft classes and meeting rooms, 300-person capacity meeting/banquet room, and play areas for children. Approximately \$22.7 million was invested in the Civic Center project and park development this year. Throughout the renovation, the Center has remained open for programming and administrative operations. Major expenditures by the Library Department totaled \$.9 million.

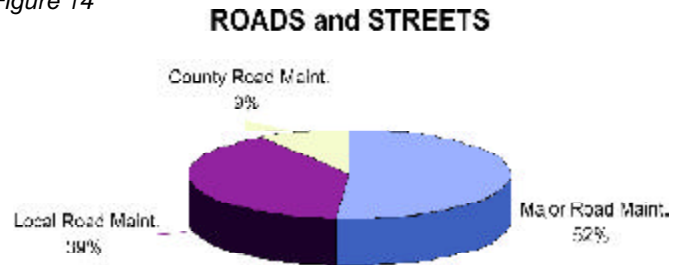
Public Safety: \$5.3 Million

Expenditures relate to communications, apparatus replacement and building construction. The City has developed a plan to reserve funds over several years to accommodate for apparatus replacement due to the significant cost of firefighting equipment.

Technology: \$.3 Million

Technology investments cover all departments. Major projects include obtaining a document imaging system. Technology upgrades and enhancements maximize staff productivity, speed internal and external communications and increases public access to information.

Figure 14

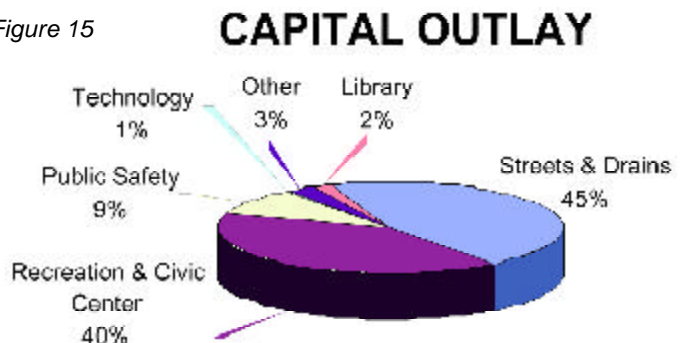


Streets repair crews tackle potholes and make travel in Troy safer.



Aerial image of the Section One Golf Course parcel in the northeast corner of the City.

Figure 15



Other: \$1.5 Million

Expenditures include Public Works building additions and City Hall improvements.

Getting more information...

Community Affairs Department

Community Affairs offers new and prospective residents and businesses an information packet. Call to request a packet or other information at 248.524.1147 or email stewartca@ci.troy.mi.us.

City of Troy Website - www.ci.troy.mi.us

Internet access creates a 24-hour, 7-day-a-week service window for citizens seeking information about the City.

What's online at www.ci.troy.mi.us

- The ability to check your property tax bill balance
- Current bid items posted by the Purchasing Department
- City job postings
- Community Calendar
- City Council meeting agendas & minutes
- Building Permit Applications
- Business license application forms (City Clerk)
- *Troy Today*, *Annual Water Report* and other publications
- News releases
- *City Code and Charter*
- Email access to City Council and administrators

Comprehensive Annual Financial Report (CAFR)



The Information in this document has been drawn from the City of Troy *Comprehensive Annual Financial Report (CAFR)* for the fiscal year ended June 30, 2002. The City was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its *CAFR* for the fiscal year ended 2001. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such *CAFR* must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our *CAFR* continues to conform to the Certificate of Achievement program requirements and we are submitting our *CAFR* for the current year to the GFOA.

Complete financial statements of the City of Troy with additional demographic and economic information are published in the *Comprehensive Annual Financial Report (CAFR)*.

To request a copy of the CAFR, contact John M. Lamerato, Assistant City Manager/Finance & Administration by mail 500 West Big Beaver, Troy MI 48084; email lameratojm@ci.troy.mi.us; or phone 248.524.3329.

The City of Troy Community Affairs Department operates WTRY, its government access cable television station. It cablecasts City Council, Downtown Development Authority, Planning Commission and Board of Zoning Appeals meetings as well as community events and news on Channel 10/53.



City Staff & Department Contacts

City Manager, John Szerlag	248.524.3330
Assistant City Manager/Finance, John M. Lamerato	248.524.3329
Assistant City Manager/Services, Gary A. Shripka	248.524.3329
Building and Zoning Director, Mark Stimac	248.524.3344
City Assessor, Nino Licari	248.524.3311
City Attorney, Lori Grigg Bluhm	248.524.3320
City Clerk, Tonni Bartholomew	248.524.3316
City Engineer, Steve Vandette	248.524.3383
City Treasurer, Nancy Aguinaga	248.524.3336
Community Affairs Director, Cynthia Stewart	248.524.1147
Director of Building Operations, Steven Pallotta	248.524.3368
Financial Services Director, James Nash	248.524.3411
Fire Chief, William Nelson	248.524.3419
Human Resources Director, Peggy Clifton	248.524.3339
Information Technology Director, Gert Paraskevin	248.619.7279
Library/Museum Director, Brian Stoutenburg	248.524.3538
Parks & Recreation Director, Carol Anderson	248.524.3484
Planning Director, Mark Miller	248.524.3364
Police Chief, Charles Craft	248.524.3443
Public Works Director, William Need	248.524.3489
Purchasing Director, Jeanette Bennett	248.524.3338
Real Estate & Development Director, Douglas Smith	248.524.3498
Risk Manager, Stephen Cooperrider	248.526.5128
Traffic Engineer, John Abraham	248.524.3379



Above: Troy Parks & Recreation hosts a summer concert series on Wednesday nights at the Civic Center.



Right: Troy Public Library offers Internet access in both the children's and adult service areas. It also offers career research assistance and free computer classes.